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FISCAL IMPACT STATEMENT

LS 7107

BILL NUMBER: SB 382

NOTE PREPARED: Jan 19, 2005

BILL AMENDED:

SUBJECT: Alcohol server training.

FIRST AUTHOR: Sen. Alting

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: This bill requires the Alcohol and Tobacco Commission to establish application requirements, fees, standards, and renewal requirements for certification of alcohol server training programs. This bill also allows the Commission to contract with a nonprofit organization to provide an alcohol server training program or monitor the certification of alcohol server training programs. It requires retail permittees to: (1) complete a certified alcohol server training program; (2) ensure that each alcohol server completes a certified alcohol server training program and attends refresher courses every two years; and (3) maintain training verification records.

Effective Date: Upon passage; July 1, 2005.

Explanation of State Expenditures: This bill will have an indeterminable administrative cost impact on the Alcohol and Tobacco Commission (ATC).

This bill requires the ATC to establish application requirements, fees, standards, and renewal requirements for certification of alcohol server training programs. The bill would allow the ATC to contract with a nonprofit organization to either provide alcohol server training or monitor the certification of other alcohol server training programs. The impact of this provision will ultimately depend upon the number of training providers that apply, the fee established by the ATC, and the choice of the ATC in contracting with a nonprofit organization to administer the requirements of the bill.

The bill defines a retail permittee as a person who holds a:

- (1) beer retailer's permit under IC 7.1-3-4;

- (2) liquor retailer's permit under IC 7.1-3-9; or
- (3) wine retailer's permit under IC 7.1-3-14.

The bill requires retail permittees to:

- (1) complete a certified alcohol server training program;
- (2) ensure that each alcohol server completes a certified alcohol server training program and attends refresher courses every two years; and
- (3) maintain training verification records.

Approximately 10,000 retail establishments would be impacted by this bill. While all the bartenders and wait staff employed in these establishments would be required to participate in a training program, the exact number of employees is unknown. There are approximately 100,000 ATC Employee Permit holders in the state. An Employee Permit is required of all clerks in liquor stores, bartenders, wait staff, and managers of establishments that serve alcoholic beverages by the drink.

Under the bill, affected retailers are required to ensure that employees receive training within 90 days of starting work and have a refresher course at least once every two years. After July 1, 2005, prospective ATC Employee Permit holders must successfully complete a training program prior to receiving a permit. (Wait staff serving alcohol who are under the age of 21 are currently required to receive training before they are employed.)

ATC excise officers currently provide a free voluntary training to approximately 3,000 retailers each year. In addition to the training offered by the ATC, there are private companies that provide server training. There are four known for profit companies that provide training, the average fee for this training is approximately \$30 per person. The number of employees trained by the services is unknown.

If the ATC chose to provide the training required by the bill it is estimated they would need to hire six additional excise officers. If six additional officers were hired, the total cost would be approximately \$290,000 in FY 2006 and \$300,000 in FY 2007. Additionally, the ATC would incur additional costs for the rental of training facilities and the production of training materials.

This bill does not contain an appropriation. The funds and resources required above could be supplied through a variety of sources, including the following: (1) existing staff and resources not currently being used to capacity; (2) existing staff and resources currently being used in another program; (3) authorized, but vacant, staff positions, including those positions that would need to be reclassified; (4) funds that, otherwise, would be reverted; or (5) new appropriations. Ultimately, the source of funds and resources required to satisfy the requirements of this bill will depend upon legislative and administrative actions.

Background: The Alcohol and Tobacco Commission is funded with dedicated fee and tax revenue deposited in the Alcohol and Tobacco Commission's Enforcement and Administration Fund. As of the December 27, 2004, the ATC had seven vacancies, including vacancies in five excise officer positions.

Explanation of State Revenues: The bill allows the Commission to fine, suspend, or revoke the permits of the affected retailers and employees for failing to comply with the bill's provisions. Civil penalties for violations of the ATC's rules are deposited in the Commission's Enforcement and Administration Fund.

The bill also allows the ATC to establish a fee for training providers to obtain certification. These fees would

be deposited in the Commission's Enforcement and Administration Fund.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Alcohol and Tobacco Commission.

Local Agencies Affected:

Information Sources: Bart Herriman, Commissioner, Alcohol and Tobacco Commission, 232-2444.

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